

THIS AMENDMENT:		
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____

SPITZER PROPOSED AMENDMENT # 3

TIME/DATE PREPARED: March 22, 2005

COMPANY: Arizona Public Service

AGENDA ITEM NO. U- 1

DOCKET NO. E-01345A-03-0437

OPEN MEETING:DATE: March 24, 2005

Page 27, line 2

DELETE:

“We agree with ACA/DEAA that DG can have significant benefits to APS and to its ratepayers and we want to encourage the growth of DG that can provide those benefits. However, we also agree with the proponents that schedule E-32 should not be modified to accommodate the particular needs associated with DG. We”

INSERT:

“We agree with ACA/DEAA that DG can have significant benefits to APS and to its ratepayers and we want to encourage the growth of DG that can provide those benefits. Additionally, we find some of the suggestions made in ACA/DEAA’s post hearing brief persuasive. However, our decision is rooted in the record made in this case, and those suggestions were not fully delineated, nor subjected to cross examination at the Hearing. At this point, we agree with the participants that the E-32 schedule should not be modified to accommodate the particular needs associated with DG. Therefore, we”

Page 27, line 7 after “customers.”

INSERT:

Further, we direct the parties to begin the process by evaluating the three recommendations made by ACA/DEAA in its post hearing brief.